

# FINAL

BAC 2004 Minutes  
Meeting Date: 10/19/04

## **Milford Budget Advisory Committee Meeting Minutes Approved 10/26/04 Meeting Date 10/19/04**

### **Attendance:**

#### **BAC Members:**

Therese Muller  
Bill Fitzpatrick  
Didi Carter  
Mike Roske  
Joe Stella  
Bob Courage  
Gil Archambault  
Kevin Taylor  
Don Caisse

#### **Town Staff:**

Katie Chambers

#### **Town Citizens:**

Merv Newton

### **Topics of Discussion:**

Approval of Minutes  
Town Reorganization Request  
DPW Reorganization  
Informal Ambulance Committee Report  
Department Reviews  
    Administration (except Information Systems)  
    Library  
Other Discussion  
Closing

**Next Meeting:** Next BAC meeting will be at 7:30 on Tuesday 10/26, in the Keyes Meeting Room upstairs at the Wadleigh Memorial Library.

### **APPROVAL OF MINUTES**

The BAC voted 9-0 (0 absent!) to amend and then approve the amended meeting minutes of the 10/12 BAC meeting. Approved minutes will be forwarded to BAC members and Dawn Griska. Dawn will save the minutes in .PDF format and forward them to Alan Woolfson for posting to the town's website.

### **TOWN REORGANIZATION REQUEST**

Katie Chambers requested time on next week's BAC meeting agenda for a review of the Town Reorganization Plan. The BAC agreed to provide time for this discussion.

### **DPW REORGANIZATION**

Therese distributed a marked-up organization chart showing the target organization for the DPW. The Public Works Director developed this organizational structure with the Town Administrator in 2003 based on the DPW structure in other area towns and cities. The intent of the reorganization is to allow the Public Works Director more time to focus on larger priorities of the organization, and leave the day-to-day management of functional areas to the assistant

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director and superintendents. Currently, the Director charges 42.5% of his time to Water, 42.5% of his time to Public Works (general fund), and the remaining 15% of his time to Sewer. It was noted that this might not be an accurate depiction of the time actually spent working on tasks for these different sections under the Director's purview. In the Proposed 2005 budget, the labor division is established as 10%/10%/80% for Water, Sewer, and Public Works in recognition of the fact that Superintendents of Water and Sewer are existing positions and should be able to manage those areas.

Mr. Newton commented that the division of labor within DPW might change more drastically with the potential approval of a Village Water District, if recommended by the current Water District Study Committee. The Committee expects to make a recommendation to the BOS in the next 4-6 weeks. If a Water District were recommended, those affected would petition the BOS for creation of said district. This would be followed by a public meeting of the potential water district and a vote of potential future members to determine if the district should be created. A positive vote would then require the district to choose officers, who would develop a charter and then select commissioners. The Water District would then become a separate legal entity from the Town. This would add some governing/liaison cost to the DPW budget, but could lighten up regular DPW, water, and waste budgets by "a lot."

There was some debate as to how quickly this process can legally and feasibly happen, so there is an open question as to how the 2005 budget will be affected. Bob Courage and Kevin Taylor will attend the next Water District Committee meeting, expected to be on Wednesday 10/27, to straighten out some of the details and determine how this change might affect the 2005 budget.

The BAC also requested that Mr. Newton provide the minutes (or a pointer to them) from the Water District Committee so that the BAC could read more information and evaluate the situation and possibilities.

## INFORMAL AMBULANCE COMMITTEE REPORT

As the vice-chairman of the Ambulance Study Committee, Merv Newton also provided some insight into the status of that committee.

The cost savings of using a private ambulance service were stated incorrectly in the Cabinet article of 10/14. The Cabinet stated that the current Milford Ambulance Department has a net budget of \$149K net after collections. The Ambulance Study committee believes this figure to be \$346,989 based on information from Eric Schelberg, Ambulance Director. The BAC, reviewing budget numbers from 2003 and 2004, found that the number would be expected to be closer to \$250K.

After the BAC meeting, the Town Finance Director provided the following figures:

2003 Total Costs, Including Benefits	\$566K
<u>2003 Revenues</u>	<u>\$270K</u> (not \$300K as noted on report)
Net cost, 2003:	\$296K (vs. the BAC calculated \$266K)
2004 Projected Costs, Including Benefits	\$647K
<u>2004 Projected Revenues</u>	<u>\$340K</u>

Net Projected Cost, 2004:

\$307K

The BAC's Ambulance Review Team should verify these numbers when evaluating the Ambulance Budget for 2005.

Future Ambulance Costs include a requested facility at a cost of \$1.7 million. This equates to a bonded cost of approximately \$125K/yr. It has been proposed that this cost could be combined with Fire Station facility growth to get a more favorable bond rate and provide a unified facility plan.

The Ambulance Study committee is currently drafting a Request For Proposal (RFP) that will be sent to Rockingham Ambulance Service or any other interested parties to obtain a contractual cost to the town and to users of the service for Ambulance service. It is expected that the cost to the taxpayer will be zero (0), and the cost to the patient will be Medicare reimbursement + 5%. Town cost can be zero because Rockingham's solid equity position and larger economy of scale allow fixed costs such as the Director's salary to be spread across a larger service area. These terms, as well as three (3) five-year renewals for a total of 20 years of service at the Town's option are being documented in the RFP. Mr. Newton stated that there would be no negotiation allowed at each renewal period, but this will be explained clearly in the RFP and in Rockingham's proposal. Mutual Aid services currently provided to neighboring towns by Milford Ambulance are also being requested in the RFP. Mutual Aid provided **from** neighboring towns **TO** Milford is currently undefined. There is a very low level of need for this currently (approx. 20 calls per year), but it will be addressed in the final Ambulance Committee recommendation.

Also unknown is whether Rockingham will be seeking town space, land donation, or other incentives to build a facility in town for service. Initial discussions with Rockingham have led to the understanding that there will always be 2 ambulances based in Milford, but there is only room for one in Rockingham's current bay at St. Joseph's Medical Center. St. Joseph's went before the planning board on Tuesday 10/19 requesting renovation for more medical space and it is unknown whether this could include additional ambulance space.

The Ambulance Study committee has consulted with Mayor Streeter of Nashua, who has been very pleased with the service provided by Rockingham. It was noted, however, that Milford's needs are very different than Nashua's.

For Budgetary consideration, the BAC will evaluate the Ambulance Department's budget proposal with the understanding that the Town will execute to that budget until such time as the Ambulance Department may be dissolved. At that time, the remaining budget would not be spent, except as necessary for severance benefits for current Town employees.

## **DEPARTMENT REVIEWS**

### **Administration (except Information Systems)**

The BAC does not recommend any change to the line items in the Administration account at this time.

Discussion of the department covered a few questions about the organization of Administration. The HR director is not a department head because she reports to the Town Administrator and has a budget as part of this department. The HR organization is

administrative in nature and covers personnel issues and benefits. Payroll is handled by the Finance department.

For information systems, the source of the town's documented computer plan was the Data Operations Technician. More information about this plan will be forthcoming with the discussion of the Information Systems segment of the Administration Department.

EPA activities at Superfund sites in Milford are monitored by the Administration Department. Currently, the O.K. Tool site is a working site, with the newly constructed shed about to go operational. The Savage Well, part of the same Superfund site, is being monitored. The town pays consulting fees for an independent consultant to read and interpret reports from this and the Fletcher paint site. It was noted that there is an interest in re-opening the Savage Well at some point in the future. According to Katie Chambers, estimates vary as to when this will be possible, but all estimates are less than ten (10) years away.

The Fletcher Paint cleanup site is not moving very quickly. GE has been identified as responsible for cleaning up this site, but the Town is also involved as this is the site of a former dump. Operational Unit 1 (OU1) is active, but not at full capacity, but OU2 – the Keyes Field area – has not progressed beyond the point of taking samples.

The Town costs for these sites in 2005 are budgeted at \$22K to cover environmental consulting and attorneys' fees.

The highest priority for help in the Administration Department is in Information Systems, but the needed set of skills must be identified before determining a resolution plan.

The Administration Department will be reduced by one (1) employee in 2005 as a result of using a bank lock box for payment receipt. This eliminates the need for a Town employee to collect payments and process them. Work is transferred directly to the Town's bank. The savings from the reduction of this position will be reflected in the Default Budget as well as the updated 2005 Proposed Operating Budget to be made available after Monday's BOS meeting.

The workload on the Town Administrator and staff is daunting, but there is no priority on obtaining assistance. Because goals for the department and for the Town change on a regular basis, there is no time to focus on setting and meeting long-term goals, but instead on dealing with short-term issues. The quote from the meeting with the Town Administrator was that the Administrator would like to "Incorporate staff into meeting goals rather than imposing goals."

### **Library**

The Library indicated that the current level of service could be continued within the defined cost of "default budget + 1.5%."

The discussion about the library centered on the request for a Warrant article asking for additional budget of approximately \$12K plus benefits to add four (4) more hours of service to the Library's schedule. This amount reflects only the labor costs of these

additional hours, and not the costs of keeping the building heated, lit, and maintained during those hours.

The first question from the BAC was whether the Library could shift its existing hours to cover the need, or whether additional hours must be added. This was not known, but Bill took an action to clarify this with Art Bryan for the next BAC meeting.

The Library Director provided a comparison chart illustrating Milford's library statistics in comparison to other area towns in terms of size, cost, and services provided. This provided information to compare Milford's library to the Library in Amherst.

Amherst, with a similar budget, is open 63 hours per week, with a full-time-equivalent staff of 10.37 people. Milford only supports 51 hours per week, with an equivalent staff of 10.7 people. Bill took an action to see if Art Bryan can also clarify this discrepancy for the next BAC meeting.

Also unknown is the division of expenses and usage from different segments of the Library's services. It was noted that the Milford children's programs have 2.5 times the number of users as Amherst. The question is, "Who will benefit from the additional 4 hours of operation?" The targeted user of these additional hours will help determine their need and allocation within the week.

During his discussion with the BAC team, the Library Director noted that the organization of the Library limits the effectiveness of pay-based motivation for employees. The Town maintains the privilege of restricting pay increases, specifying a minimum level for all workers, a maximum, or both. Department heads are allocated a pool to distribute among their employees within these limits. In 2004, there was a maximum 4% raise imposed, making it difficult for the library to provide rewards to exceptional employees. Similarly, mandatory minimums require the Director to raise the salary of even low-performing employees. In addition, as noted in previous BAC discussions, it is difficult to impossible to terminate the employment of an under-performing worker. This makes it very difficult for the Library Director to motivate employees to perform at higher levels.

The Library identified issues with getting support from the DPW for maintenance required in the facility. In the past, there have been safety issues at the Library that have gone unresolved until the Library found workers in-house who were capable of making needed repairs. This appears to be another point example of the issues with DPW management. In a similar manner, the Library does maintenance on their own computing systems due to past failings of the town's Information Systems department to provide adequate support.

## OTHER DISCUSSION

The Town's current telephone contract expires on 11/30/04. Information Systems is currently investigating other providers. Telephone costs may increase until a provider can be contracted, but all of the providers currently offer lower costs than the current contract.

Town cell phone usage is monitored by the Data Operations Technician. Most town-paid cell phones are on Verizon, but some use Nextel in order to take advantage of two-way radio communication using the same devices.

**CLOSING**

The BAC meeting adjourned at 9:45 pm.

Next meeting will be in the Keyes Meeting Room (upstairs in the Library) at 7:30 on Tuesday 10/26/04. Gil noted that he would be unable to make any meeting on the last Tuesday of the month due to a prior military commitment.

**ACTION ITEMS FROM 10/19 MEETING:**

Bill Fitzpatrick: Determine whether the Library can shift hours around to cover the need, or must add additional hours.

Bill Fitzpatrick: Ask the Library Director to clarify how Amherst's library can be open 63 hours with 10.37 equivalent heads, while Milford can support only 51 with 10.7 heads.

**VOTES AT THE 10/19 MEETING:**

None.

===END=====